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# annual report

1960

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED

## board of directors

R. C. BERKINSHAW, C.B.E., TORONTO

A. W. DENNY, TORONTO

R. DEYOUNG, AKRON

H. G. HARPER, TORONTO

HOWARD L. HYDE, AKRON

A. DEANE NESBITT, O.B.E., D.F.C., MONTREAL

L. E. SPENCER, TORONTO

E. J. THOMAS, AKRON

## officers

R. C. BERKINSHAW, *Chairman of the Board*

L. E. SPENCER, *President and General Manager*

A. W. DENNY, *Vice-President, Production*

H. G. HARPER, *Vice-President, Sales*

D. C. CARLISLE, *Treasurer*

K. E. KENNEDY, Q.C., *Secretary and General Counsel*

H. A. BRUNDAGE, *Comptroller*

C. E. CLARKE, *Assistant Treasurer*

A. E. ROBINETTE, Q.C., *Assistant Secretary*

C. W. J. EVANS, *Assistant Comptroller*

A. M. HERRING, *Assistant Comptroller*

# **products**

TIRES      { Passenger, Truck, Trailer,  
                Farm, Industrial, Airplane  
TUBES      and special purpose

RETREAD AND REPAIR MATERIALS

BATTERIES

AUTOMOTIVE ACCESSORIES

BELTING

HOSE

TEXTILES

PACKING

MOLDED GOODS

PLIOFILM\*

PLIOBOND\*

AVIATION PRODUCTS

NEOLITE\*

RUBBER SOLES AND HEELS

\*Registered Trademark



## **GENERAL OFFICES**

NEW TORONTO, ONT.

## **FACTORIES**

NEW TORONTO, ONT.

BOWMANVILLE, ONT.

ST. HYACINTHE, QUE.

QUEBEC CITY, QUE.

MEDICINE HAT, ALTA.

## **BRANCHES**

MONCTON, N.B.

607 St. George St.

QUEBEC, QUE.

1225 Charest Blvd.

MONTREAL, QUE.

2050 Cote de Liesse Rd.

TORONTO, ONT.

650 Kipling Ave. South, Toronto 18

## **BRANCHES-Continued**

LONDON, ONT.

1700 Dundas St. East

WINNIPEG, MAN.

1725 Sargent Avenue

REGINA, SASK.

2410 Dewdney Ave.

SASKATOON, SASK.

2035 First Ave. North

CALGARY, ALTA.

238-11th Ave. East

EDMONTON, ALTA.

11330-143rd St.

VANCOUVER, B.C.

2625 Rupert St.

## **WHOLESALE DISTRIBUTOR**

ST. JOHN'S, NFLD.

A. E. Hickman Company Limited

# **Annual Report of the Directors**

To the Shareholders:

The consolidated balance sheet of the Company and its subsidiaries as of December 31, 1960 and the consolidated statements of profit and loss and earned surplus showing the results of operations for the year, together with the report of the Company's auditors, Price Waterhouse & Co., are submitted herewith.

The consolidated net income for the year amounted to \$2,084,255 or \$7.03 per common share, as compared with \$2,326,533 or \$7.95 per common share for the year 1959.

Dividends on common stock, totalling \$6.00 per share and amounting to \$1,543,560 were paid during the year. Regular quarterly dividends totalling \$2.00 per share were paid on the 4% preferred shares.

Capital expenditures during the year for expansion, improvements and replacements of property, totalled \$4,825,239 and depreciation amounted to \$2,850,186.

Working capital amounted to \$26,782,038 and the ratio of current assets to current liabilities is 6.9 to 1 compared with 5.7 to 1 at the end of 1959.

Inventories of raw materials, work in process and finished goods have been thoroughly reviewed and valued on the basis of the lower of average cost or market, except in the case of unprocessed rubber on hand or in transit which, in accordance with the Company's practice, was valued at cost as determined by the last-in, first-out method of accounting.

To maintain the coverage of the Company's pension, hospitalization and related benefits, supplemental unemployment benefits and group insurance plans, there is included in the attached consolidated profit and loss statement a charge to income of \$1,549,000.

Taxes and duties of all kinds provided in 1960 totalled \$6,947,000 equivalent to \$27.00 per share of issued common stock, as compared with \$8,890,000 or \$34.56 per share in 1959.

General business activity in Canada declined during the past year and this condition was reflected in a lower volume of tire sales by the industry despite a slight increase in motor vehicle production. On the other hand, industry sales of products other than tires, such as belting, hose, miscellaneous industrial rubber products, shoe products, molded goods, packaging film, etc., were subject to wide fluctuations but total 1960 sales of these products compare favorably with those of the previous year. Price competition for the contracted sales volume resulted in lower profit margins; the Company has reduced its costs in all areas of its operations and continues these efforts with gratifying results; the overall results, while not as profitable as in previous years, have proven very satisfactory in the circumstances.

Included in our capital expenditures program was the establishment of the first modern tire plant in Western Canada at Medicine Hat, Alberta, which enables us to serve the western provinces with locally manufactured products. Other capital expenditures were for increases in retread plant facilities, including a new plant at London, Ontario. We continued to modernize our distribution system by improvements in our branch and warehouse operations and the establishment of a new warehouse at Halifax, Nova Scotia, and additional retail distribution outlets.

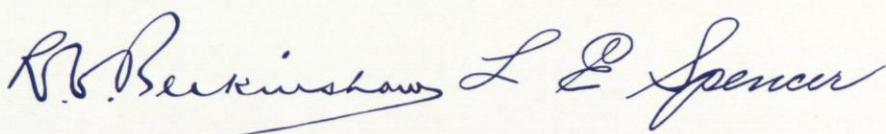
During the year, your Company withdrew from the manufacture and marketing of foam rubber, since the operation had become unprofitable and the prospects for future profits did not appear bright.

We are confident of both the long-term growth of Canada and a consistent increase in motor vehicle registration. While any given year's prospects in the automotive and tire industries may vary from early indications, we are optimistic regarding these markets in the coming year.

With outstanding quality products, continuing improvements in manufacturing and distribution combined with the teamwork, spirit and ability of the members of our organization — employees and dealers alike — all dedicated to providing the best in products and service to our customers — Goodyear should be able to measure up fully to the challenges and opportunities ahead.

We extend our sincere appreciation to each and every employee and dealer for the achievements of the past year and look confidently to the future.

On behalf of the Board,



Chairman of the Board

President and General Manager.

February 8, 1961.

**THE GOODYEAR TIRE & RUBBER COMPANY OF**

**consolidated**

**assets**

	DECEMBER 31 1960	DECEMBER 31 1959
<b>CURRENT ASSETS:</b>		
Cash	\$ 2,295,277	\$ 330,457
Accounts receivable, less provision for bad debts —1960— \$438,385; 1959—\$459,450	9,904,389	9,954,460
Inventories at cost (partly last-in, first-out) or market whichever is lower	19,138,589	24,200,789
<b>TOTAL CURRENT ASSETS</b>	<b>31,338,255</b>	<b>34,485,706</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Mortgages, agreements of sale, etc.	916,283	853,043
Deferred charges to future operations	140,733	185,088
	<b>1,057,016</b>	<b>1,038,131</b>
<b>PROPERTY ACCOUNTS:</b>		
Land, buildings, machinery and equipment, at cost	51,223,271	47,064,431
Less — Depreciation	35,496,089	33,174,975
	<b>15,727,182</b>	<b>13,889,456</b>

APPROVED ON BEHALF OF THE BOARD:

*L E Spencer* DIRECTOR

*R B Beekinshaw* DIRECTOR

<b>\$48,122,453</b>	<b>\$49,413,293</b>
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# CANADA, LIMITED AND SUBSIDIARY COMPANIES

## balance sheet

### liabilities

	DECEMBER 31 1960	DECEMBER 31 1959
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities.....	\$ 3,653,039	\$ 4,134,526
Accrued income and other taxes payable.....	834,217	1,812,187
Preferred stock dividend payable.....	68,961	69,909
<b>TOTAL CURRENT LIABILITIES</b> .....	<b>4,556,217</b>	<b>6,016,622</b>
 <b>SHAREHOLDERS' EQUITY:</b>		
Capital Stock:		
Four per cent. Cumulative Redeemable Sinking Fund Preferred Shares (par value \$50 per share; redeemable on call at \$53 per share):		
Authorized and outstanding—1960—137,922 shares; 1959—139,818 shares.....	6,896,100	6,990,900
Common shares, no par value:		
Authorized — 290,660 shares; issued — 257,260 shares.....	128,630	128,630
Capital Surplus.....	692,350	692,350
Earned Surplus.....	35,849,156	35,584,791
	43,566,236	43,396,671
	<hr/> <b>\$48,122,453</b>	<hr/> <b>\$49,413,293</b>

## consolidated profit and loss statement

	Year ended December 31	
	<u>1960</u>	<u>1959</u>
Profit from operations before providing for depreciation and income taxes.....	\$ 6,407,976	\$ 7,993,471
Income from investments.....	<u>53,606</u>	<u>58,962</u>
	<u>6,461,582</u>	<u>8,052,433</u>
Deduct:		
Provision for depreciation.....	2,850,186	2,700,390
Provision for income taxes.....	<u>1,527,141</u>	<u>3,025,510</u>
	<u>4,377,327</u>	<u>5,725,900</u>
Net profit for the year.....	<u>\$ 2,084,255</u>	<u>\$ 2,326,533</u>

## consolidated earned surplus statement

	Year ended December 31	
	<u>1960</u>	<u>1959</u>
Balance at beginning of year.....	\$35,584,791	\$35,081,849
Net profit for the year.....	<u>2,084,255</u>	<u>2,326,533</u>
	<u>37,669,046</u>	<u>37,408,382</u>
Deduct:		
Dividends:		
On four per cent. preferred shares.....	276,330	280,031
On common shares.....	<u>1,543,560</u>	<u>1,543,560</u>
	<u>1,819,890</u>	<u>1,823,591</u>
Balance at end of year.....	<u>\$35,849,156</u>	<u>\$35,584,791</u>

## notes to consolidated financial statements

1. The accounts receivable at December 31 1960 include \$981,642 due from affiliated companies and \$503,485 due to affiliated companies is included in accounts payable. These balances represent current accounts arising in the normal course of business.
2. Rentals payable under leases expiring more than three years from December 31 1960 aggregate approximately \$625,000 annually.

# auditors' report

PRICE WATERHOUSE & CO.

55 Yonge Street  
Toronto 1

January 27, 1961

To the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED:

We have examined the consolidated balance sheet of The Goodyear Tire & Rubber Company of Canada, Limited and its subsidiary companies as at December 31 1960 and the consolidated statements of profit and loss and earned surplus for the year ended on that date. Our examination was made in conformity with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of profit and loss and earned surplus present fairly the consolidated financial position of the companies as at December 31 1960 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

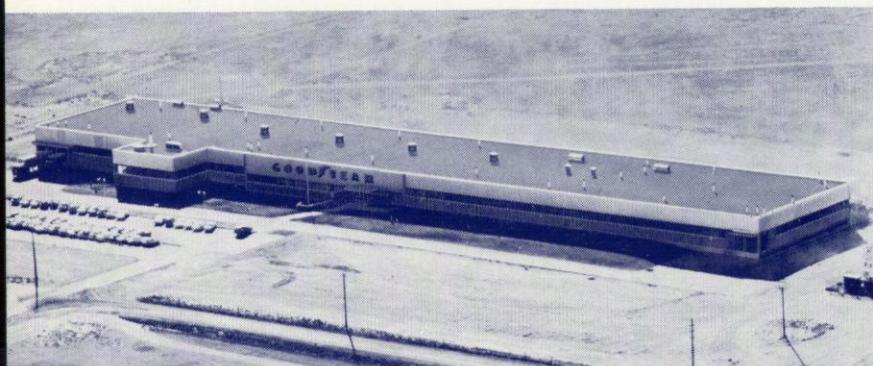


Chartered Accountants.

DURING 1960 . . .

# EXPANSION IN PRODUCTION

FIRST PLANT IN THE WEST  
OPENED AT MEDICINE HAT, ALTA.



◊ Coinciding with your Company's 50th year in Canada, the first tire manufacturing plant in Western Canada was opened at Medicine Hat, Alta., on June 15, 1960.

Start of production just prior to the official opening marked a new company record. The project was approved, sod turned, building erected, machinery installed and first tire produced in just over 10 months.

Company officials and government dignitaries attending the official opening ceremonies are pictured here during introductions by Plant Manager, J. C. Moon. Left to right: L. E. Spencer, President and General Manager; Mayor Harry Veiner of Medicine Hat; Mrs. E. G. Robinson, MLA., Hon. Raymond Reiersen, Alberta's Minister of Labour; Mr. Moon; R. C. Berkinshaw, Chairman of the Board; A. W. Denny, Vice President; and Fred McGuinness, President of the Medicine Hat Chamber of Commerce.



◊ Medicine Hat Plant Manager, J. C. Moon holds first Goodyear tire produced in Western Canada. Eight of these huge automatic presses are currently in use at the Medicine Hat plant, shaping and curing tires in a single operation.

The plant is situated on a 75-acre parcel which has natural gas facilities and unlimited supplies of raw water. The site offers ample area for future expansion.

# AND DEALER FACILITIES

## SALES OUTLETS INCREASED ACROSS CANADA

More than 13,000 Goodyear retail dealers market your Company's products across Canada. Expansion of this vast network continues as markets develop.

To assist dealers and customers, Goodyear maintains excellent warehouse-distribution facilities to ensure quick delivery of products. Dealers also receive assistance in modernizing their locations, enabling them to maintain their position as the leading tire sales and service establishment in their communities. Attractive dealer outlets offer the maximum in tire sales and service.



Assisted by your Company in modern merchandising methods, Goodyear dealers provide an ideal opportunity for the customer to examine Goodyear products and receive expert advice on his tire requirements from carefully trained personnel. Here, a customer examines your Company's wide range of tire grades and sizes under pleasant shopping conditions.

Having selected the tire best suited to his personal driving requirements, the customer has it mounted by a Goodyear dealer using the latest in tire service and wheel balancing equipment. Use of this modern equipment contributes to longer tire mileage, greater tire safety and satisfied customers.

